

**OXFORD CITY COUNCIL**

**HOUSING ADVISORY BOARD - 27 May 2005.**

**EXECUTIVE BOARD - 13 June 2005.**

**Report of: Business Manager, Oxford Building Solutions**

**Title: Options for Three Housing Properties and one plot of land.**

**Ward: Barton & Sandhills, Hinksey Park**

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**Key Decision: Yes**

**Lead Member: Ed Turner**

**Scrutiny responsibility: Housing**

## **RECOMMENDATIONS**

**That the Housing Advisory Board agrees to advise the Strategic Director, Housing, Health and Community that he might wish to advise the Executive Board on the following:-**

- 1. 12 Marlborough Road, Grandpont – disposal on the open market.**
- 2. 14 & 16 Mather Road, Barton – disposal on the open market.**
- 3. Site adjacent to 43 Burchester Avenue – disposal on the open market.**

**In addition to this, that he might wish to:-**

**Allocate sale receipts to the HRA Capital programme to help meet the Decent Homes targets.**

## **1. Summary**

- 1.1 This report gives details of three vacant HRA properties which are currently in the OBS long term voids programme but have a high cost of refurbishment. Options for the use of the properties are set out and recommendations given.
- 1.2 Also included in the report are the options for a plot of land suitable for development.

## **2. The Council's Vision and Strategic Aims**

- 2.1 Providing more affordable housing and meeting the decent homes standard are major objectives for the Council and the options set out in the report will both directly and indirectly help meet the objectives.

## **3. Background**

- 3.1. Details of the properties/land are listed below:-

12 Marlborough Road - 2 bedroom, end terrace, traditionally built house, generally rooms are compact with interconnecting rooms – no hall or corridors. Became void June 2004. New roof structure needed, dampness to ground floor. Structural cracks to gable end. Rewire and new central heating. New staircase, re-plaster throughout. Refurb kitchen and new water main (leak under building). Re-dec throughout. Estimated cost £60k.

14/16 Mather Road - a pair of semi-detached 1960's built, steel framed buildings damaged by fire in July 2003. Full refurbishment and modernisation required. Structural repairs to roof. Window and door replacement. New ceilings, plastering, kitchens and bathrooms. Rewiring and new heating system. Re-dec throughout. Lowest competitively tendered cost £128,614.71. Fees will increase the overall project cost to £141,476.18.

Plot adjacent to 43 Burchester Avenue – 0.0894 acre, overgrown with no buildings.

## **4. Options appraisal**

The four properties have been considered for the following options:-

### **4.1 Permanent social housing use through a housing association.**

4.1.1 The Council has asked Oxford Citizens Housing Association (OCHA) to appraise 14/16 Mather Road as to its development potential. OCHA have indicated that they would like to develop the site for affordable housing. The site currently contains 2 units, OCHA have said they can build 3 new social housing units on the site. It is likely that OCHA would be looking for the Council to dispose of the site for nil consideration. The redevelopment of these units could be done as part of the wider new build scheme OCHA are undertaking at Beckley View in Barton.

4.1.2 Marlborough Road is unsuitable to develop for social housing. The unit is too small to be developed and it is unlikely that a housing Association would be able to fund the refurbishment of the property.

4.1.3 OCHA have indicated that they would like to put 4 x 1 bed shared ownership flats on the site adjacent to 43 Burchester Avenue, which could be done at the same time as developing Beckley View. Initial discussions with Planners have taken place and in general they have raised no objections to the idea.

### **4.2 Short-life use through Co-op Homes.**

4.2.1 The properties on Mather Road and Marlborough Road require a considerable amount of expensive remedial work undertaken on them in order that they can be let. On that basis it is unlikely that the Council would consider the units for short life use through a Co-op.

### **4.3 Open market sale.**

4.3.1. Indicative open market values are set out in the Confidential Appendix attached.

## 5. Financial Implications

- 5.1. The Council will lose the rent income from these properties if any option other than retaining is agreed. The approximate weekly rent from April 2005 for these properties is:-

12 Marlborough -	2 bed house -	£74.75
14 Mather Road -	3 bed house -	£66.90
16 Mather Road -	3 bed house -	£61.35

This would result in an annual loss in rent of £3,887, £3,478.8, £3,190.2, respectively. An annual total of £10,556.

- 5.2. Savings will be made in two main areas

Capital Works – these properties are shown in the Savills stock database as needing the following budget to bring them up to Decent Homes standard:-

12 Marlborough -	£ 7,850
14 Mather Road -	£ 7,950
16 Mather Road -	£ 9,710

These costs are included in the refurbishment costs stated in para. 3.1 above.

Planned Maintenance / Responsive repairs – repairs costs should be minimal. Projects include cyclical painting/repair maintenance at an estimated average of £100 per annum for all three and annual gas appliance servicing at a total annual cost of £170.19 for all three.

- 5.3. At the time of writing this report the Loss Adjuster's comments have not been received but the Council has an Excess of £100,000 and it is thought that, after taking the improvement element out of the works, the final sum will be below £100,000.
- 5.4. If the properties are sold on the open market, theoretically the Council could receive the diminution of the market value i.e. the difference in the market value before and after the fire. However with the £100,000 excess and the indicative prices shown in the Confidential Appendix, it is thought that the Council will not receive any re-imburement from the Insurers.
- 5.5. The effect on homelessness if the properties are sold – currently 75% of vacancies are allocated to the Homeless List, therefore the main result will be that a family has to stay in temporary accommodation that much longer. For a two bed property, the cost of this is approximately £240 per week and for a three bed property, the average rent is £270 per week. It should be noted

that these costs are usually paid from Housing Benefit but it is still a cost to the public purse.

The approximate Homeless List breakdown currently is:-

Two bed	- 370 households – ave. wait in temp. accommodation 2 - 2.5 years.
Three bed	- 280 households – ave. wait in temp. Accommodation 4 – 4.5 years.

- 5.6 Currently all three properties are boarded up at a cost of £203.25 per week. They would need to be boarded until disposal, which could be for a period of between six and nine months. Based on nine months the total cost would be £7,927.
- 5.7 It is proposed that the receipts from any sale should go to the HRA Capital programme to help meet the Decent Homes targets.

## **6. Legal implications**

- 6.1 Under Contract PR 17.05 of the Constitution, before the Executive Board is legally committed to the disposals, a further report will be submitted which addresses:-
- 6.1.1 the proposed use of the land or buildings by the proposed purchaser; and
  - 6.1.2 the terms of the proposed disposal.
- 6.2 It should be noted that if the option to hand over the Mather Road properties and the plot of land in Burchester Avenue to a Housing Association is adopted, effectively at nil value, the Secretary of State's permission would be required.

## **7. Staffing Implications**

- 7.1 There are no staffing implications to this report. If Outline Planning consent for a particular option is sought before sale, this will be applied for by the Neighbourhood Renewal Team.

## **8. The grounds for recommending a particular option**

- 8.1 The summary of options is set out in the attached Appendix 1 and recommendations have been based on those issues. It should also be noted that there would be a high likelihood of the Secretary of State refusing to dispose of these assets at nil value.

## **9. The timetable for action following the decision**

- 9.1 The Estates Management Team have advised that the sale could take between six and nine months in the current climate.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:  
Portfolio Holder, Councillor Ed Turner; Strategic Director Housing, Health and Community, Michael Lawrence; OBS Business Manager, Graham Bourton; Finance and Asset Management Business Manager, Sarah Fogden; Housing Services Acting Business Manager, Graham Stratford; Legal and Democratic Services, Lindsay Cane and William Reed.

Background papers: Report and Valuations from Independent Chartered Surveyors.  
Refurbishment Tender documents and estimates.